

FRACTIONAL CURRENCY COLLECTORS BOARD

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30799 Pinetree Road  
Pepper Pike, OH 44124

July 3, 1990

MEMPHIS MEETING NEWSLETTER

- 1) Please note change of mailing address above...I have not moved, but find it necessary to use a MAIL BOX, ETC. address . Please use it in future correspondence.
- 2) The Memphis meeting was productive as you will see from the secretary's report attached. Our THANKS to Howard Cohen for filling in as temporary secretary and his rapid forwarding of his typed notes.
- 3) Enclosed you will find a list of members and their dues status. In addition to those of you who have not paid your 1990 dues, there is an envelope addressed to our Treasurer for the conveyance of your dues.
- 4) Those of you who do not want their address published are requested to notify either Dr. Lee with your dues payment or write directly to me with the request that your address not be shown. Otherwise the next issue of the newsletter will show your address in the regular format.
- 5) Attached are:-
  - Copies of an interesting letter written by Spinner, courtesy of Martin Gengerke.
  - Copy of an outline presented by Benny Bolin during his talk about Spencer M. Clark.
  - A letter written by Howard Cohen on the subject of grading notes.
  - Secretary's report.
  - Membership list without addresses.
  - A dues envelope if you haven't previously paid.
- 6) Have a great summer.

M.R. Friedberg.

Jul90new.Ltr

Minutes  
Annual Meeting of the Fractional Currency Collectors' Board (FCCB)  
Memphis, TN  
June 16, 1990

Approximately thirty FCCB members, quests, and members of the press gathered in conference rooms 3 and 4 at the "Memphis Show" at 2:00 P.M., Saturday, June 16, 1990, for the annual FCCB meeting. President Doug Hales, presiding, shared the platform with Vice-President Milt Friedberg.

Dr. Wally Lee, Treasurer, presented the Treasurer's report. Dr. Lee reported that \$551 was held in account by the FCCB. Those who had not yet paid the 1990 membership fees were requested to do so. (Those not in attendance and not having paid the \$10 annual membership fee are similarly requested to do so.)

Within mailings sent within the past year, all members of the FCCB were sent (and should have received) an "updated" The Encyclopedia of United States Fractional and Postal Currency, authored and copyrighted 1989 by M.R. Friedberg and published by the FCCB. (A new forward by the author in the updated publication presents the reasons for revising and updating the 1978 original edition and pays tribute to the significant contributions and efforts of Martin T. Gengerke.)

Vice-President Milt Friedberg stated he would continue to act as the receptor and distributor of articles and information of interest to FCCB members. He mentioned that he had already been promised some Spinner related articles and would send these to the FCCB members. All members having information or articles of interest are encouraged to send them to Milt Friedberg. Additionally, if any member has any questions related to Fractional and Postal Currency, Mr. Friedberg invites these inquires to be sent to him. (Note: Milt's address, per the membership listing, is: 2537 Claver Road, Cleveland, OH 44118.)

Martin Gengerke, the FCCB liason to the ANA, mentioned that the FCCB was an officially recognized organizational member of the ANA. Membership of the FCCB in the ANA has been generously provided by Stack's.

The ANA has requested the FCCB to indicate to the ANA, among other things, the number of FCCB members who are also ANA members. This is for informational purposes only. (Note: The FCCB will query each of its members on this.)

Benny Bolin, membership Co-Secretary, reported his (the FCCB'S) efforts in publicizing the FCCB and membership in the FCCB to collectors and the interested public. Mr. Bolin stated that membership announcements were published in Bank Note Reporter, Numismatic News, Coin World, and Paper Money. Additionally, Tom Denly, a FCCB member and proprietor of Denly's Coins, has generously publicized the FCCB within advertisements which his firm has placed in trade journals.

A FCCB member indicated from the floor that the published and distributed FCCB membership listing contained street address and zip code information. The point was made that, while complete address information is necessary for correspondence with the FCCB, publication of complete address may not be desired by some or all members. This point well-taken by all in attendance, it was agreed that: (1) the FCCB will ask each of its members if she or he

would prefer having suppressed in listings her or his street address and zip code, and (2) FCCB membership solicitation forms will ask if street address and zip code should be suppressed in listings.

Pesident Doug Hales announced that the customized, wooden boxes (with the steel etching of the Fourth Issue, 50 cent Lincoln note on each box's cover) had been shipped via UPS by Perma Etch on or about June 8, 1990. Mr. Hales announced that his had arrived on June 11. Other members indicated that they also had received their wooden boxes during the week. A total of approximately 40 were ordered by individual FCCB members. The delay in having these made was related to the difficulty in providing the artisan, Perma Etch, with a useable photo negative of the 50 cent Lincoln note from which an etching could be made. (Note: The supplier - PERMA ETCH, 1319 Tom Still Road, Tallahassee, FL 32310 - sent a box or boxes by UPS to each member who had placed an order thru Martin Gengerke. Neither the FCCB nor Martin paid PERMA ETCH for the boxes shipped. Each member who ordered and received a box should remit payment directly to PERMA ETCH.)

(Secretary's Note re Custom, Wooden Box: Perma Etch is a company which has had a booth at the Memphis Show. Perma Etch makes small, wooden "presentation" boxes, opening by means of a top cover, not unlike formal, cigar boxes. Within the top cover is imbedded a fully featured, steel etching of a piece of currency. In 1989, FCCB members in attendance at Memphis requested Perma Etch to provide a custom made box with a steel engraving of the Fourth Issue, 50 cent Lincoln note. Perma Etch was requested to make the inner dimensions of the box approximately 6 1/4 inches in width, 4 inches in height, and 2 3/4 inches in depth - thus providing a box which could be used to contain fractional currency pieces within their plastic holders. This was the box shipped to FCCB members who had placed an order.)

Doug Hales asked if there was any interest in having Perma Etch produce another box for FCCB members. Interest was indicated. After some discussion, it was determined that the First Issue, 10 cent note would be the etched note on a new box. The FCCB will be informing members of this and will query the membership to find those interested in placing an order for this new box. The FCCB will be the liason to its members. Doug Hales will be the liason of the FCCB to Perma Etch.

Several members indicated their confusion regarding the payment of the \$10 FCCB annual membership fee for 1990. The members mentioned that the literature from the FCCB concerning payment of the 1990 fee stated that the 1990 membership was due if an adhesive mailing label was enclosed. Since some members did not find a mailing label (either not enclosed or lost), it was assumed that the \$10 fee was not due.

To avoid confusion in the future, it was agreed that a return envelope, pre-addressed to the Treasurer of the FCCB, would be included in 1991 and in future requests for payment of dues.

Martin Gengerke was requested to announce the FCCB awards for the exhibits displayed at the 1990 Memphis show. The awards - distinguished, engraved plaques - have been most generously donated by Jean and Len Glazer of Fractional Currency, Inc.

The Third Place Award was presented to Benny Bolin for his exhibit of Second Issue Fractional Notes. The Second Place Award was given to Doug Hales for his exhibit of Third Issue, 25 cent notes.

The First Place, "Best in Show" Award was presented to Milt Friedberg for his comprehensive display of Postage Envelopes. Mr. Friedberg graciously accepted this award, thanked the membership, and declared "I am delighted and proud to win this". An honor well-deserved.

The subject for discussion/presentation for this year was Spencer M. Clark. Spencer M. Clark is best recognized as the face portrayed on the obverse of the Third Issue, 5 cent note. He was the first superintendent of the National Currency Bureau (now the Bureau of Engraving and Printing). His fame (some would say infamy) is that of being the person who placed his own portrait on a piece of currency, an act related as being so audacious that Congress voted to prohibit, forevermore, the display of any living person on a piece of currency.

Benny Bolin presented "Spencer M. Clark, Cornerstone of the Bureau of Engraving and Printing".

Spencer Morton Clark was born in Brattleboro, Vermont, in 1811, to Ezra and Laura Clark. Spencer appeared to be the second of approximately nine children that Laura and Ezra Spencer brought forth. History seems to indicate that Ezra Clark was an industrious and moderately successful businessman in several New England States. Not so kind is history to the business endeavors of his son, Spencer Morton Clark.

Having the normal number of varying jobs in his late teens and twenties, Spencer M. was married in 1833 and had the first of his two children in 1834. In 1836, Spencer M. formed the short-lived Clark and Company in 1836. This company failed. Clark, having moved to New York City, declared personal bankruptcy in 1842. To support his family, he took odd jobs such as those of clerk and bartender at hotels. In 1844, he formed, along with a Mr. Coleman, Clark and Coleman (grain and flour merchants). Coleman was viewed as a competent businessman. Not so Clark. Clark and Coleman failed in 1855, attribution being Clark by most contemporary accountings. Clark took his family to Washington, D.C.

Clark was not incompetent. He had always been able to do skilled work. He had once designed a building and instructed its construction, declaring himself an engineer. In Washington, he was able to secure work as a clerk in the Bureau of Construction, Department of the Treasury. This was in 1856. In the same year, he was made chief clerk in that Bureau. In 1860, he became Acting Engineer in charge of the Construction Bureau.

With the beginning of the Civil War, Congress passed legislation authorizing the issuance of paper money. In April of 1862, Clark presented a plan to Secretary of the Treasury Chase to have notes printed in the Treasury Department. Clark believed that the Government could print notes at costs lower than what were being paid to the private printers. Clark also believed that savings could be had by buying paper in the "open market". Chase accepted Clark's proposal. Chase asked for (and received) authorization from Congress for printing of fractional notes in the Treasury Department. In August, 1862, Chase appointed Clark the Head (Superintendent) of the National Currency Bureau.

The private bank note companies (and their suppliers) immediately attacked the proposal, which was a threat to the profits of their businesses. Clark was offered huge sums to quit his post. He refused all enticements. Chase was approached and warned of both the risks involved in the project itself and in the competence of Clark. When Chase found all this unfounded, the private interest groups started a concerted "smear campaign" against the National Currency Bureau, Spencer Clark, and Dr. Stuart Gwynn (the individual whose process was being used by the Treasury Department to produce the paper for notes, under Gwynn's supervision within the Treasury Department).

An actual embezzlement of money in late 1863 by a clerk in the Department of the Treasury led Chase to request a detective officer from the War Department to investigate this affair. The detective assigned was a Col. L.C. Baker, who was placed under the Solicitor of the Treasury. Col. Baker, in the course of his investigating, made all types of charges against Clark and Gwynn. The publicity being great, Congress formed a committee to ascertain if there was misconduct. Chase suspended Clark and Gwynn until he could receive a full report from his Solicitor. When the report was received by Chase, Chase concluded that Clark and Gwynn had done no wrong - that, in fact, Clark's and Gwynn's printing operations had saved the government great sums of money. In July, the suspensions were lifted.

Clark continued in his post until November of 1868, when he resigned. His major notoriety after his suspension was lifted in 1864 to the time of his resignation was his inclusion of his portrait on the 5 cent Third Issue Fractional Note. This led to Congress's passage of the law forbidding the image of any living American on U.S. Government notes and also to Clark's forced resignation.

The exact whereabouts of Clark after his resignation were not found with certainty by Mr. Bolin. What is definitely known is that Spencer M. Clark died on December 10, 1890, in Washington, D.C., and was buried several days later in Hartford, CT.

Benny Bolin said that much of his presentation was taken from an article he had published in Paper Money in 1988. If any FCCB member wishes to have a copy of Mr. Bolin's article, she/he can write directly to: Benny Bolin, Route One, Box 331B, Allen, TX 75002.

With the conclusion of Benny Bolin's presentation, the meeting was adjourned.

Treasury of the United States,  
Washington, January 17, 1875.

Dear Sir: -

Your letter, of the 13<sup>th</sup> instant, has  
been received.

I have <sup>been</sup> quite unwell, for some times,  
but have been obliged to keep up my  
official labors. - This has prevented my  
doing any thing of a private nature. -

Before I forget it, I desire to say  
that I am entirely satisfied with  
the disposition you have made of the  
twenty dollars, that I sent you.

"I notice that you speak of the  
german" Emigration to the U.S. - their first  
settlement at the Palatines."

The Palatines were the Countries  
on the Rhine, which now form a part  
of France, and of Prussia, Bavaria, and  
Baden in Germany; and which were  
formerly Upper Palatine and Lower  
Palatine, <sup>and</sup> are the Countries from  
whence the mass of the Early German  
Emigration to this Country came, -

The town of Palatine, in Montgomery  
County, was created in the same year,

and on the same day, as were the towns  
of Harkness and German Mills, viz:  
March 7, 1788.

Their first settlements were principally  
made in what now constitute the Counties  
of Columbia and Dutchess, and from thence  
to the valleys of the Mohawk River,  
and the Schoharie Creek. —

I have no doubt of my father's former

Call was, as you state, July 14, 1802.

I am certain that he officiated in  
1801. — I was born at the parsonage,  
that was burned when I was but a

week old, on the 21<sup>st</sup> January 1802.

The parsonage stood near the Residence  
of Leonard B. Root, in the now Village

of Mohawk. - I have often heard my  
father speak of the badness of the road  
along the dugway from the parsonage  
to the Fort of Berken Church. - On this  
account he declined to reside there, although  
the ~~Church~~ offered to deed to him twenty

acres of land, if he would live on it.

I mention these facts only to prove  
that he preached to the two Congregations  
in the year 1801. - I can recollect on the

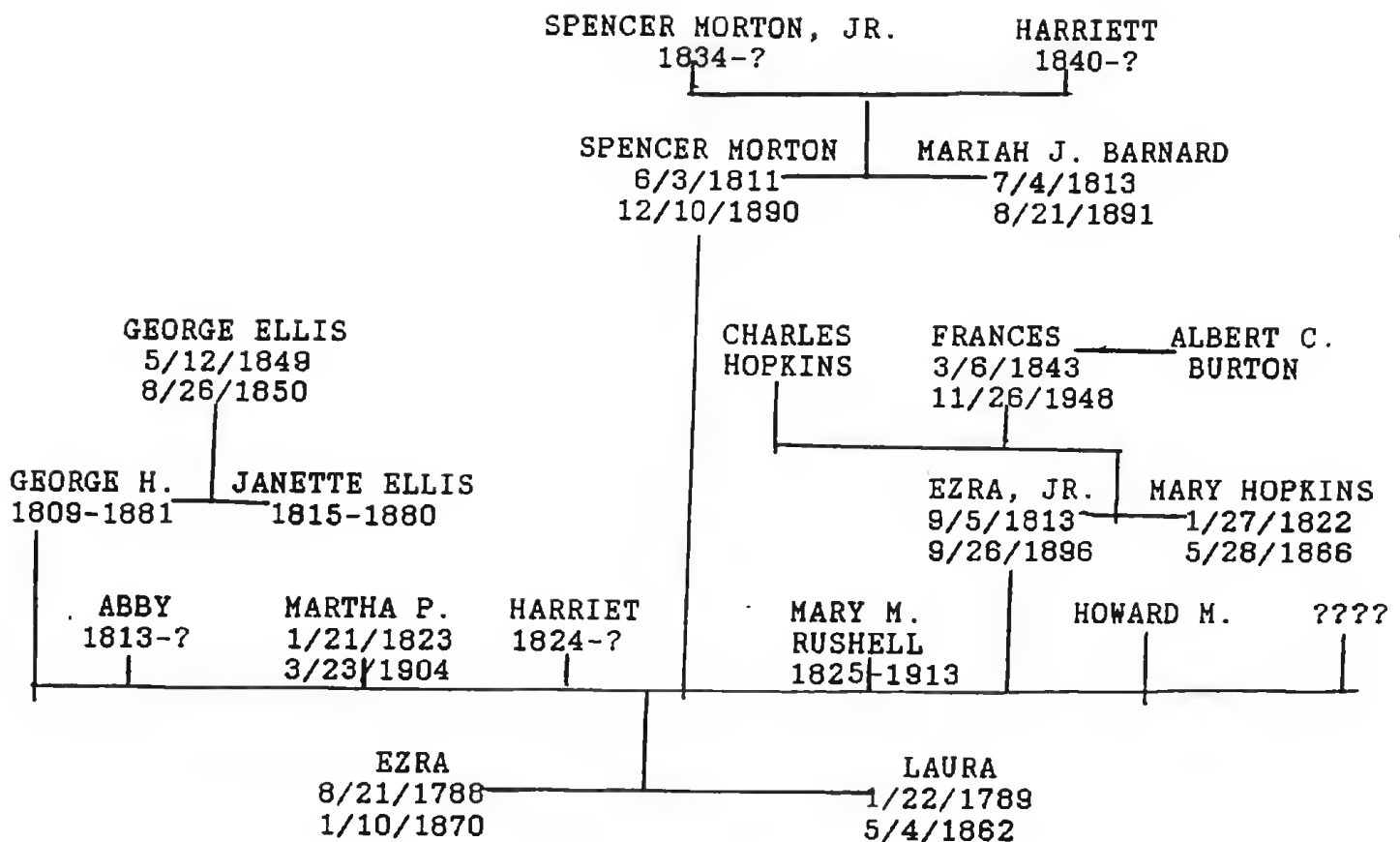
Even you mention. - Very respectfully yours,  
Res: Wm. Johns, Mohawk, N. Y. L. S. L. L. L.

# Spencer M. Clark

Cornerstone  
of the



Bureau of Engraving  
and Printing



FAMILY TREE OF EZRA AND LAURA CLARK  
(both born in Northampton, Mass.)

# LIFE 'TIME-LINE' OF SPENCER MORTON CLARK

- 1811 — JUNE 3, 1811--MONDAY--BORN IN BRATTLEBORO, VERMONT
- 1819--FAMILY MOVED TO HARTFORD, CONNECTICUT
- circa.1829--BECAME CLERK IN HARDWARE STORE OF JAMES H. WELLES
- circa.1830--BECAME PARTNER IN "GILBERT, CLARK AND COMPANY"
- AUGUST 5, 1833--MARRIED MARIAH J. BARNARD OF HARTFORD *Leimbury or 7C*
- 1834--SPENCER MORTON CLARK, JR BORN
- 1834--MOVED TO BRATTLEBORO, VT.--WORKED AS CASHIER IN BANK
- 1836--FORMED CLARK AND COMPANY - *with next, engineering equip. built → W*
- 1840--SECOND CHILD-HARRIETT BORN *debt 12K*
- 12/3/1842--DECLARED BANKRUPTCY IN NYC DUE TO FAILURE OF COMPANY
- 1843-1844--WORKED AS CLERK AND BARTENDER OF CARLETON AND CLARENDON HOTELS
- 1844--FORMED CLARK AND COLEMAN--GRAIN AND FLOUR MERCHANTS
- 1855--CLARK AND COLEMAN FAILED--MOVED TO WASHINGTON, D.C.
- 1856--BECAME CLERK IN BUREAU OF CONSTRUCTION OF TREASURY DEPT.
- AUGUST 1856--APPOINTED CHIEF CLERK
- MAY 1860--BECAME ACTING ENGINEER OF THIS DEPARTMENT
- APRIL 10, 1862--SUBMITTED PLAN TO PRINT NOTES IN TREASURY DEPT.
- JULY 10, 1862--"COMMITTEE ON EXPENDITURES ON PUBLIC BUILDINGS."
- AUGUST 22, 1862--PLAN TO PRINT NOTES ACCEPTED BY SECY. CHASE;  
OFFICIALLY FORMED BEP WITH CLARK AS ITS FIRST SUPERINTENDENT.
- MAY 3, 1864--CLARK AND GWYNN SUSPENDED--COL. L.C.BAKER  
INVESTIGATES ALLEGED MISCONDUCT AT BEP. GARFIELD COMMITTEE  
CONVENED.
- JULY 1864--CLARK AND GWYNN FOUND INNOCENT OF CHARGES.
- APRIL 7, 1866--ACT PASSES TO FORBID LIVING PERSONS ON NOTES
- JANUARY 24, 1867--"COMMITTEE INVESTIGATES SECURITY AND RECORDS."
- NOVEMBER 17, 1868--CLARK RESIGNS
- 1869-1883--?????POSSIBLY IN AGR DEPT--POSS IN PITTSBURG
- 1883-1890--STATISTICAL CLERK IN AGRICULTURE DEPARTMENT
- DECEMBER 10, 1890--DEATH IN WASHINGTON, D.C. OF PERNICIOUS  
MALASIAE FEVER AND CEREBRAL CONGESTION - *1942 6 mos + 1 wk*
- DECEMBER 12, 1890--BURIED IN SPRING GROVE CEMETARY, HARTFORD.

1890

5104 8th Street  
Charlestown, MA  
May 4, 1990

02/29

Dear Mr.

I have just received the May 1, 1990, Fractional Currency Collector's Board's (FCCB) letter sent by Milt Friedberg. Milt mentioned that he had received a letter from you; and you had posed some questions concerning grading ("what is a GEM?") and paper variations.

As a brief introduction of myself, I purchased my first pieces of fractional currency in 1973, but began seriously collecting fractional notes beginning in 1978. From 1969 to 1976, I was a very serious collector of sheets of U.S. Stamps. (I'm dormant in stamps now, because I have all the sheets that can be collected.) From 1973 to date, I have collected type U.S. large size currency. I have attended all the Memphis shows, except three. I attend these because (a) I can get a good "reading" on the direction of the currency markets (i.e., pricing and availability of notes), (b) the expertise of the attendees at Memphis always adds to my limited knowledge, and (c) I get to see the FCCB members, who are truly nice people.

With that background, I will attempt to answer several of your questions alluded to by Milt in his letter.

I am a collector who collects only real GEM notes. I try to obtain every auction catalogue in which GEM currency is being offered. If the lots in an auction appear to be relevant to my needs, I try to attend the auction. I do this for two reasons: (a) to look at the lots to see what the auction grader thinks are GEM notes, and (b) to bid on notes, if they are real GEM and if I want them.

I am not an expert. The only expertise I have is in centering and margins, probably due to my having been a stamp collector. Even judging centering and margins is difficult for me. Many times, I have seen notes which have perfect centering (front and back) and margins which I think are the best that can exist. Then, I return home and look in an old auction catalogue and find a picture of the same note with margins twice as large. Long ago, I reached peace with myself on the issue of centering and margin - if the centering is perfect and the margins are pleasing to me (not to the dealer, my best friend, or my dog, but to me), then the centering and margins qualify as GEM.

Now that margins and centering are "out-of-the-way", I get to the next area area, which is the easiest. The cut of the paper and the shape of the corners of the note. If a note is to be perfect GEM, then (a) the top and the bottom of the note must meet the sides at perfect 90 degree angles, (b) the corners must not be rounded or darkened, relative to the rest of the paper, and (c) the cut of the paper must be such that the line of the top is always parallel to the line of the bottom and the same for the sides. This is perfection in "cut and corners". (Note: I will say that it is very difficult to find perfection in "cut and corner" on fiber fractional notes.)

Next, I come to the area of "completion" of inking - that is, when viewed under a glass at 5X and 10X, are the areas, which the engraver intended to be inked, completely inked. In general, it is quite easy to see lines that are broken. If a line is broken, then usually this means that inking is not complete. The note is not GEM. It is not that easy to determine if inking is not complete when looking at other than a line. This is because only experience lets you know if ink was supposed to be there or not. (Sorry)

Now comes the area of wear and tear. A GEM Uncirculated note has always been circulated. If it was not circulated, then you and I would not be able to view it. (Sorry, again.) If a note has a tear or a fold it has been circulated. Virgin paper, out of the mill and to the printer, is not folded or scarred in any way. If the molecular lattice of the paper has been destroyed, even if the paper has not been folded, the note is not GEM. (If you hold each side of a GEM fractional currency note on the edge of two fingers and move the fingers together slightly, the paper should form an arc.)

If a note has writing on it, a fingerprint, or a dirt smudge, it is not a GEM. (Note: If an ink smudge from printing is on a note and really does not degrade the appearance of the note, I personally may allow an otherwise GEM note to be GEM to me.) If the paper has browned or has browning on the edges or in other places, it is not GEM. (Can we really call this a GEM note with browning?) If the note has been handled or stored in such a manner that the surface fibers of the paper have been compacted, then the note is not GEM. (When viewed through a glass at 5X and 10X, you can often see that the "high" points on the paper - the bumps - are pressed down. This may also be seen on the wood fibers or the cloth fibers imbedded in the paper.) .

The easiest areas are behind me. Now, the hard areas - those Milt alluded to in his letter: (1) the proper paper "color", and (2) the proper ink color(s). These are easy for me. I maintain that only Milt, Martin, Doug, and 4 to 8 other people (all FCCB members) know how to recognize paper and ink. Further, they do not always agree. I haven't the slightest idea how to recognize paper or ink varieties. I have enough trouble with the TINT, COLOR, BRIGHTNESS, SHARPNESS, and CONTRAST controls on my TV.

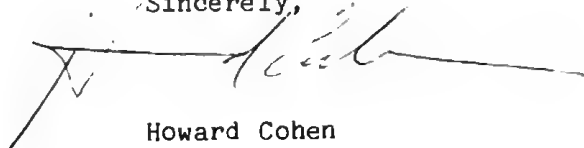
A last word - the value of a GEM note; or, what you will pay for a GEM note. I have the following rules for myself: (1) If I do not think the note is GEM, then it is worth only face value to me, regardless of rarity; (2) If a note is GEM to me, if I do not have the note, and if I have no desire really to own the note, then the seller must give me a price no higher than the sell price on the Green sheet (the Currency Dealer's newsletter, published monthly); (3) If a note is GEM to me, and if the note is not on my priority buying list but is a note I do not have, I will pay a seller a price equal to or up to 25% above the sell price on the Green sheet, and (4) If the note is a GEM to me and if the note is on my priority list for buying, I will easily pay the seller well above the Green sheet sell price - maybe 100% or more above if I really like the note and want it.

Why are there so many different GEM prices? This is a question you asked Milt. Well, there are several reasons. (1) There are different degrees of GEM even to the same grader. Martin Gengerke, a very fair grader, will often give "different price estimates to different lots of the same note which he calls GEM when he prepares lots for auction. But, in his description of each lot, he will clearly highlight why one GEM note is superior to the other(s) (and thus, the price difference in price estimates); (2) Among graders, there are different criteria for what is GEM. A note one grader may call GEM, another grader may just call UNC or Choice UNC. In currency, the price difference between a Choice Unc and GEM note can be 300-500%. And, the difference between a perfect GEM ("the best I've ever seen") and a GEM can be 100-250%.

What should you pay for a GEM note? (1) Before doing anything, first establish for yourself what your own criteria of GEM is (and this may be different than everybody else's definition). (2) Then, analyze the market. Go to shows and auctions, to view GEM notes. See what different sellers and auction houses are calling GEM, and see what the prices are (both dealers' prices and auction results). This will give you a good idea of what the "market place" thinks of "different" GEM notes, graded as such by different sellers or auction houses. (3) Then, do some historical analysis to determine for yourself where the market is - is it high or is it low? (Note: Do you want to buy anything when the market is at or near its historically peak? Do you want to be everything if the market is at or near its historical low?); (4) Subscribe for 1 or 2 years to the Green sheet; (5) Last, determine what you will pay at the current time for a note based on your definition of GEM?

Best Regards.

Sincerely,



Howard Cohen

cc. Milt Friedberg